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EQUITY TRUST (JERSEY) LIMITED

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

OLIVER HILSEN RATH,

Plaintiff,

v.

EQUITY TRUST (JERSEY) LIMITED,  
CANOVER INVESTMENTS PLC, AND  
DOES 1-10,

Defendants.

CASE NO. C-07-4162 WHA

DECLARATION OF PHILIP JOSEPH AUSTIN  
IN SUPPORT OF EQUITY TRUST (JERSEY)  
LTD'S MOTION TO FOR IMPROPER VENUE,  
LACK OF PERSONAL JURISDICTION,  
INSUFFICIENCY OF SERVICE OF PROCESS,  
AND *FORUM NON CONVENIENS*

Date: October 18, 2007  
Time: 8:00 a.m.  
Place: Courtroom 9, 19<sup>th</sup> Floor  
Judge: Honorable William H. Alsup

Complaint Filed: August 14, 2007

I, PHILIP JOSEPH AUSTIN, declare as follows:

1. I currently am a Managing Director of Equity Trust (Jersey) Limited ("ETJL") and have held this position since 8 May 2006. In my capacity as Managing Director, I have access to, and would in the ordinary course of ETJL's business become aware of information with respect to: the location of ETJL's officers, directors, managing

1 agents and employees; the location of ETJL's offices, real property, personal property, bank  
2 accounts and other assets; the location of ETJL's business activities; the payment of taxes;  
3 the appointment of agents for service of process; and the location of legal actions pursued or  
4 defended by ETJL.

5 2. I have personal and first-hand knowledge of all of the facts stated in  
6 this Declaration, except where otherwise stated that my knowledge is based on information  
7 and belief. If called upon to do so, I could, and would, testify competently thereto.

8 3. I have reviewed the complaint in this action and, contrary to what is  
9 alleged therein, ETJL does not give tax advice to its clients. ETJL is a leading trust  
10 company which provides trust and fiduciary services to high net worth individuals,  
11 corporations and intermediaries. ETJL offers its clients trust, estate planning, family office,  
12 structuring, investor support and other financial services. ETJL was first incorporated as a  
13 private company under the Companies (Jersey) Law 1991. Both its headquarters and  
14 operations are located exclusively in Jersey, Channel Islands in the United Kingdom.

15 4. The company known as ETJL today has undergone several changes  
16 in its name over the years, principally as a result of changes in ownership. Originally  
17 incorporated 28 January 1994 as Integro Trust (Jersey) Limited, it changed its name to  
18 Insinger Trust (Jersey) Limited on 13 January 1998. A further name change occurred on 20  
19 July 2001, when it became known as Insinger de Beaufort Trust (Jersey) Limited. Since  
20 July 18, 2003, the company has been known as Equity Trust (Jersey) Limited.

21 5. A true and correct copy of the Certificate of Incorporation of Integro  
22 Trust (Jersey) Limited is attached as Exhibit A. A true and correct copy of the Certificate of  
23 Incorporation on Change of Name for Insinger Trust (Jersey) Limited is attached as Exhibit  
24 B. A true and correct copy of the Certificate of Incorporation on Change of Name for  
25 Insinger de Beaufort Trust (Jersey) Limited is attached as Exhibit C. A true and correct  
26 copy of Certificate of Incorporation and Change of Name for Equity Trust (Jersey) Limited  
27 is attached as Exhibit D.  
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1                   6.     ETJL's management, administrator and directorship services are  
2 performed from St. Helier, Jersey, the location of its headquarters and operations. ETJL  
3 has clients around the world. However, ETJL does not specifically advertise in an effort to  
4 provide services in California, nor in publications expected to reach the State of California.  
5 I do not understand that ETJL has ever applied for any license to do business in California.

6                   7.     ETJL does not maintain any offices or places of business in  
7 California and does not own or lease any real or personal property in California.

8                   8.     ETJL does not maintain any officers, employees, or agents in  
9 California; it does not have bank accounts in California or telephones, telephone directory  
10 listings, or mailing addresses. ETJL does not maintain books or records in California.

11                  9.     ETJL has never appointed an agent to receive service of process in  
12 California.

13                  10.    I have inquired of ETJL's travel consultants and have been advised  
14 that no ETJL employees conduct regular trips to California for business purposes, and am  
15 not aware that any such travel occurred during the time period relevant to this action.

16                  11.    In connection with the preparation of this Declaration, I reviewed  
17 business records which were maintained in the regular course of business and created  
18 contemporaneously with the events they record. My knowledge of the facts I declare in the  
19 following paragraphs 12 through 15 is based on information and belief as a result of my  
20 review of these business records.

21                  12.    By way of background, ETJL was introduced to Oliver Hilsenrath  
22 through a client, David Dahan ("Dahan"), who, like Mr. Hilsenrath, identified himself as an  
23 Israeli citizen. Mr. Hilsenrath was interested in obtaining trust and asset management  
24 services provided by ETJL because Jersey is a stable, low-tax jurisdiction. After speaking  
25 with Mr. Hilsenrath, and by his request, an ETJL employee sent some materials describing  
26 ETJL services to Mr. Hilsenrath, who at the time happened to be located in California. A  
27 true and correct copy of a letter from John Perkins to Oliver Hilsenrath, dated 14 May 1996,  
28 is attached as Exhibit E.

1                   13. In or around August 1999, Mr. Hilsenrath entered into a Company  
2 Management Agreement with ETJL by which terms ETJL established and administered  
3 Telecom Associates (T.A.) Limited, a BVI corporation, for his benefit. A true and correct  
4 copy of the Telecom Associates (T.A.) Limited Company Management Agreement is  
5 attached as Exhibit F.

6                   14. On or around June 18, 2001, Mr. Hilsenrath entered into a Settlement  
7 Agreement with Insinger Trust Company Limited, as predecessor in interest to ETJL, by  
8 which terms Insinger Trust Company Limited and Mr. Hilsenrath established The Firefly  
9 Trust. A true and correct copy of the Firefly Trust is attached as Exhibit G.

10                  15. As a general rule, and as provided in the Telecom Associates (T.A.)  
11 Limited Company Management Agreement governing the parties' rights and duties, ETJL  
12 would not provide funding for any of the entities that it administered on behalf of Mr.  
13 Hilsenrath.

14                  16. ETJL is not the "owner" of any of the structures (i.e. trusts,  
15 corporations, partnerships, limited liability companies, etc.) that it creates during a client  
16 relationship. For clarification, when I say that ETJL is not the "owner," I mean that ETJL  
17 does not have beneficial ownership of any such structures.

18                  17. Defending this action in California, a jurisdiction with which ETJL  
19 has no contacts, would impose a significant burden on ETJL employees and resources.  
20 ETJL has a particular interest in having this dispute, which is governed by Jersey law,  
21 adjudicated by a Jersey court. I understand that, according to the Telecom Associates  
22 (T.A.) Limited Company Management Agreement and The Firefly Trust Agreement, Mr.  
23 Hilsenrath has agreed in fact to do so. See Exhibits F & G, attached hereto.

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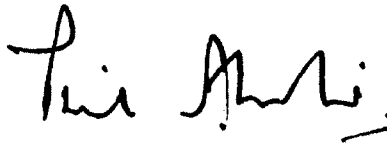
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1                   18. ETJL does not knowingly, intelligently, or purposefully consent to  
2                   the jurisdiction of the State of California. I do not consent to the jurisdiction of California  
3                   in this action.

4                   I declare under penalty of perjury under the laws of the United States of America  
5                   that the foregoing is true and correct.

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7                   Executed this 6<sup>th</sup> day of September, 2007 at St. Helier, Jersey, Channel Islands.

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14                   SIGNED: Philip Joseph Austin  
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